

# What ISEKI Group aims for

## Corporate Philosophy — Purpose —

ISEKI Group strives to contribute to the creation of the prosperous and sustainable society through “providing innovative products and higher quality of services to the customers”



## Long-term Vision — Vision —

To be a “Solution Provider for Agriculture & Landscape”

Supporting a farming industry full of dreams and beautiful landscapes and creating a future of sustainable agriculture and landscape

## Important Values — Value —

### Spirit

Inheriting our company's founding philosophy, we always carefully consider food, agriculture and landscape and move forward with farmers.

### Front runner

As a front-runner, we produce innovative products and higher quality services.

### Quality

We will always make premium quality products with passion.

### Solution

We constantly take action for solutions to customer issues.

### Innovation

We create innovations and provide new value.

### Global

With a global perspective, we work toward solutions to the world's social issues.

### Future

Paving the way for tomorrow, open up the future of food, agriculture and landscape.

## Spirit of ISEKI – Passion of founder –

“I want to free farmers from exhausting labor”

Agriculture was hard work, done by hand and with the help of animal power. To change this, Kunisaburo Iseki, the founder, realized laborsaving through mechanization and endeavored to further develop agriculture. “We produce good machinery,” Kunisaburo Iseki, the founder, used to say. He devoted himself to providing products that made customers happy. The founder's passion has been inherited in an unbroken line to this day as “ISEKI's spirit.”

## Company Motto

Our management philosophy is to provide:

1. Products that satisfy customers;
2. A stable workplace to the employees;
3. Appropriate dividend to the shareholders;

and thereby we will fulfil our social mission.

# Key Points of ISEKI Report 2024

ISEKI Report consists of three pillars of ISEKI Group's value creation: "ISEKI Group's value creation aims," "Business strategies for value creation," and "Foundation for sustainable growth." We have been striving to enhance and improve the content based on opinions of stakeholders on our ISEKI Reports and insights obtained through daily engagement activities, among other things.

Key Point

1

## "Project Z" measures to promote fundamental structural reforms and growth strategies

This section showcases purposes of "Project Z," which was announced on February 14, 2024, toward the realization of our long-term vision, "To be a 'Solution Provider for Agriculture & Landscape,'" as well as growth stories and measures for fundamental structural reforms and growth strategies.

- P13-18 Message from our President
- P25-28 Project Z
- P37-40 Domestic Market Strategies
- P41-44 Overseas Market Strategies
- P45-48 Product/Development Strategies

Key Point

2

## Business activities that leverage the strengths of ISEKI Group — theme: environmental responses —

Through the roundtable discussion by General Manager of Green Innovation Promotion Section, Director of Dream Agricultural Research Institute, General Manager of Europe Sales & Marketing Department themed environmental responses, this section provides in-depth explanations on our initiatives toward value creation leveraging "Technological capabilities," "Support capabilities to offer farm business proposals," and "Innovation based on collaboration," which are the strength of ISEKI Group.

- P33-36 ISEKI Group's strengths

Key Point

3

## Initiatives to strengthen corporate governance

Through a message from the Outside Director who serves as the Chair of the Board of Directors, this section introduces initiatives to strengthen governance with the aim of improving corporate value.

- P67-68 Message From an Outside Director

Two new female Directors assumed their offices upon approval at the Ordinary General Meeting of Shareholders held in March 2024, for the purpose of increasing diversity of the Board of Directors. Messages from the newly appointed Outside Directors are presented.

- P74 Messages From Newly Appointed Outside Directors

### Publication of "ISEKI Report 2024"

The Company has published ISEKI Reports since 2019, for the purpose of having constructive dialogue with stakeholders. This report was edited through united efforts of related departments, that organized a Group-wide project led mainly by young and mid-career employees who will be responsible for ISEKI Group's next generation. As the Director in charge of investor relations, with responsibility for this report's preparation, I affirm that this report was produced in good faith with the involvement of the management team and the cooperation of related departments, and its content is accurate.

Director & Senior Corporate Officer  
In charge of Personnel,  
Corporate Planning, and  
Public & Investor Relations  
Deputy in charge of Compliance

Masayuki Fukami

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### Editing policy

This report has been published with the aim of communicating our initiatives for medium- to long-term improvement of the corporate value of ISEKI Group to a wide range of stakeholders including shareholders and investors from both financial and non-financial aspects.

### Covered period

From January through December 2023.

The report also includes some information from and after January 2024.

### Scope

As a general rule, this report covers the activities of ISEKI & Co., Ltd. and ISEKI Group's associated companies in Japan and overseas; notes are added when the scope is limited in certain part hereof.

### Referenced guidelines, etc.

IFRS Foundation, "The Integrated Reporting Framework" / Ministry of Economy, Trade and Industry, "Guidance for Collaborative Value Creation 2.0" / GRI, "Sustainability Reporting Standards" / ISO26000 / SDGs / Ministry of the Environment, "Environmental Reporting Guidelines" / Task Force on Climate-related Financial Disclosures (TCFD)

### Positioning of information disclosure

ISEKI Group has issued a variety of communication tools to enable constructive dialogues with stakeholders. For detailed information on operating results, ESG data, etc., please refer to the latest information on "Investor Relations" and "Sustainability" pages of our website; along with the ISEKI Report.

Financial information	Non-financial information
<b>Integrated Report (ISEKI Report)</b>	
<ul style="list-style-type: none"> <li>• Management strategies (Mid-term Management Plan)</li> <li>• Securities reports</li> <li>• Quarterly financial summaries</li> <li>• Quarterly briefing presentation materials</li> <li>• Business reports</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance Report</li> <li>• ESG data</li> </ul>
Website (Investor Relations / Sustainability)	

### Notes on forward-looking information

Forward-looking statements contained in this report are based on information available at the time of the preparation and involve potential risks and uncertainties. Actual results may differ from those expressed by the statements due to changes in economic conditions and market trends.

\*Amounts and numbers of shares are rounded down to the unit.

# History of solving social issues

## We have contributed to society in the fields of “food, agriculture, and landscape.”

The Company has inherited the passion of our founder, “I want to free farmers from exhausting labor,” and continued to generate value that contributes to solution of social issues and grow by “providing innovative products and higher quality of services to the customers” in the fields of “food, agriculture, and landscape.” We will take on challenges to solve global social issues, with an eye toward the 100th anniversary of our foundation in 2025, and the future beyond.

### Foundation

## 1926

### Foundation

Kunisaburo Iseki, the founder, had a strong passion, “I want to free farmers from exhausting labor,” originated from his experience in agriculture which was his family business. With this passion in mind, he established “Iseki Farm Implement Trading Co.” in Matsuyama City, Ehime Prefecture and began selling fully-automated rice hullers. This is the start of the history of ISEKI Group that continues until today.

We have inherited the passion of the founder up to present in an unbroken line as ISEKI's DNA.



Kunisaburo Iseki, the founder



First fully-automated rice huller produced after the foundation

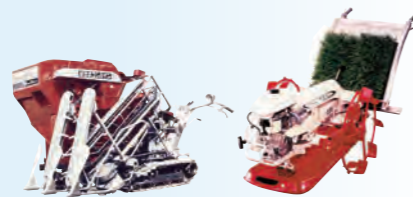
1926 Iseki Farm Implement Trading Co. was established  
1936 ISEKI & CO., LTD. was established

### 1945 to 1960s

## 1945-

### Supported the post-war food production increase and high economic growth

We have supported the post-war food production increase and high economic growth through contribution to automation and modernization of agriculture by developing numerous agricultural machinery and establishing the integrated rice cultivation system. We expanded sales bases nationwide to respond to the rapid increase in demand. The Company was the first to sell the walking combine harvester, “HD50-model Frontier,” as the world's first auto-threshing combine harvester suitable for rice farming in rice paddies. In addition, the walking rice transplanter, “PF20,” was equipped with a backward-tilting seedling tank which used plastic float, and established the current basic form. They were selected as part of “the best 100 innovations in post-war Japan” in 2014, recognizing them as products that significantly contributed to the development of industries and economy in Japan.



The world's first auto-threshing combine harvester, HD50-model

Walking rice transplanter equipped with a backward-tilting seedling tank, PF20

#### Issues and needs

- Post-war needs for a food production increase

#### Value

- Saving of labor and improvement of productivity through automation of agriculture

1946 Established Matsuyama Factory  
1949 Established Kumamoto Factory  
1958 Began establishing sales subsidiaries  
Subsequently, established sales subsidiaries around Japan  
1961 Established Niigata Factory  
Listed its shares on the Tokyo Stock Exchange  
1969 Renamed Tokyo Branch as Tokyo Headquarters

### 1970 to 1980s

## 1970-

### Expansion to overseas markets

We promoted expansion to overseas markets to enhance business of the Company. The Company concluded an agency agreement with the French agent, Yvan Beal (currently ISEKI France), in 1967, to commence export and sale of tillers that served as the full-fledged start of our business in Europe, and established a local subsidiary in Belgium in 1971. We promoted sale of tractors in the small-sized tractor market in North America and Europe, the main application of which are maintenance of parks and gardens, management of homegrown-vegetable gardens, etc. rather than the agricultural use. This initiative served as the foundation for the current landscaping business. In Asia, we embarked on global business by forming a sales network through efforts such as building relationships with local distributors, while providing cooperation in domestic production of agricultural machinery.



Export and sale of tillers in Europe

#### Issues and needs

- A decrease in agricultural workforce following the high economic growth
- Increased switchover to heavy industries
- Accelerated overseas business expansion of Japanese companies

#### Value

- Improved productivity through establishment of the integrated system for automating rice farming
- Contribution to Japan's economic development through larger-sized and more diversified agricultural machinery

1971 Established N.V. ISEKI Europe S.A.S. (currently ISEKI Europe GmbH) in Brussels  
1972 Expanded Matsuyama Factory, relocated Head Office to Matsuyama  
1977 Established Central Training Center in Ibaraki Prefecture  
Commenced exporting tractors (OEM) to North America

### 1985 to 2000s

## 1985-

### Strengthened support to offer farm business proposals

In 1990, labor hours\* in rice farming dropped to one-fourth of those of 1960, thanks to advances in mechanization. Meanwhile, mechanization needs for vegetable farming increased. We have contributed to laborsaving by developing transplanters that automatically plant vegetable seedlings through application of the transplanting technologies of rice transplanters which were the strength of the Company. Furthermore, in conjunction with agricultural machinery, we have strengthened support to offer farm business proposals by leveraging our farm business technologies and know-how accumulated so far, and provided value of new agriculture that contributes to improvement of agricultural productivity and food reliability and safety. The support capabilities to offer farm business proposals are the source of the current competitive edge of ISEKI Group. In addition, the Company started the coin rice milling business in 1984 and sale of automated successive rice cooking equipment in 1985. Through these and other efforts, we began activities in the field of food.

\*Direct labor hours per 10 acres in rice farming



Fully-automated vegetable transplanter, “Naueru PV101”

#### Issues and needs

- Accelerated decrease in number and aging of farm workers
- Improvement in food self-sufficiency rate
- Needs for a food production increase following world's population growth

#### Value

- Agricultural productivity improvement and landscaping through provision of agricultural machinery that is suitable for each region in Japan and overseas
- Provision of new agricultural value by supporting and offering proposals for farm business

2001 Separated the Production Section from the company and established ISEKI-Matsuyama MFG. Co., Ltd. and ISEKI-Kumamoto MFG. Co., Ltd.  
2003 Established Iseki-Changzhou Mfg. Co., Ltd. in Jiangsu Province, China

### 2010 to 2020s

## 2010-

### Acceleration of global expansion / promotion of sustainability

Starting with the establishment of PT ISEKI INDONESIA as a global production base in 2012, the Company accelerated its global expansion by, for example, establishing ISEKI SALES (THAILAND) in Thailand in 2013, and making a French agent, Yvan Beal (currently ISEKI France), a Thai distributor, IST Farm Machinery Co., Ltd., and ISEKI Germany, subsidiaries, in 2014, 2020, 2022, respectively. In the domestic market, we contributed to super laborsaving and higher profitability of agriculture by promoting smart agriculture that utilizes advanced technologies and data and environmentally sound agriculture, with the aim of responding to changes in the agricultural structure such as increased large-scale farming.



PT ISEKI INDONESIA, a global production base

#### Issues and needs

- Strengthening of food security
- Productivity improvement associated with increased large-scale farming and adding value to farm produce
- Increased responses to natural disasters and climate change
- Increased environmental responses and contribution to realization of decarbonized society

#### Value

- Agricultural productivity improvement through laborsaving, unmanned equipment, and data utilization
- Reduction in CO<sub>2</sub> emissions through promotion of environmentally sound agriculture, electrification, etc.

2011 Established Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd. in Hubei Province, China  
2012 Established PT. ISEKI INDONESIA  
2013 Established ISEKI SALES (THAILAND) CO., Ltd. (current IST Farm Machinery CO., Ltd.)  
2014 Integrated the businesses of Iseki-Changzhou Mfg. Co., Ltd. and Dongfeng Iseki Agricultural Machinery (Hubei) Co., Ltd. and established Dongfeng Iseki Agricultural Machinery Co., Ltd.  
Acquired French agents Yvan Beal S.A.S. and YB Holding S.A.S. (current ISEKI France S.A.S.) and made them subsidiaries  
2015 Established Dream Agricultural Research Institute  
2020 Made Thai distributor IST Farm Machinery Co., Ltd. a subsidiary  
2022 Made Germany distributor Iseki-Maschinen GmbH a subsidiary

### Toward the future

#### Smart agriculture

We are promoting smart agriculture that utilizes the latest technologies such as robot technologies and information and communication technology (ICT). We aim to realize highly efficient and productive farm business.



#### Contribution to agriculture of the world

We will contribute to more efficient food production and more productive agriculture through automation of agriculture in Asian and other countries.



#### Enhancement of quality of life

We will contribute to town development in Europe and enrichment of private lives in North America.



#### Environmental preservation

We will contribute to the realization of a decarbonized and recycling-oriented society.



# ISEKI Group

## At a glance

### Foundation

# August 1926



With a passion, "I want to free farmers from exhausting labor," Kunisaburo Iseki, the founder, established "Iseki Farm Implement Trading Co." in Matsuyama City, Ehime Prefecture.

### Consolidated net sales

# 169.9 billion yen



In Fiscal Year Ended December 31, 2023, since overseas sales hit a record high for three consecutive fiscal years, consolidated net sales also hit a record high.

### Group companies

# 21



Our associated companies include 20 consolidated subsidiaries in Japan and overseas: 9 domestic sales subsidiaries, 6 production-related companies, and others (2 domestic and 3 overseas companies), as well as 1 equity-method subsidiary.

### Overseas net sales (%)

# 33.5%



Overseas net sales grew to 33.5% from 21.3% five years ago. We have steadily increased our presence overseas, working to expand awareness of our brand.

### Number of employees (consolidated)

# 5,457



As of the end of 2023, 1,670 employees in development and manufacturing departments, 3,427 in sales departments, and 360 in other divisions.

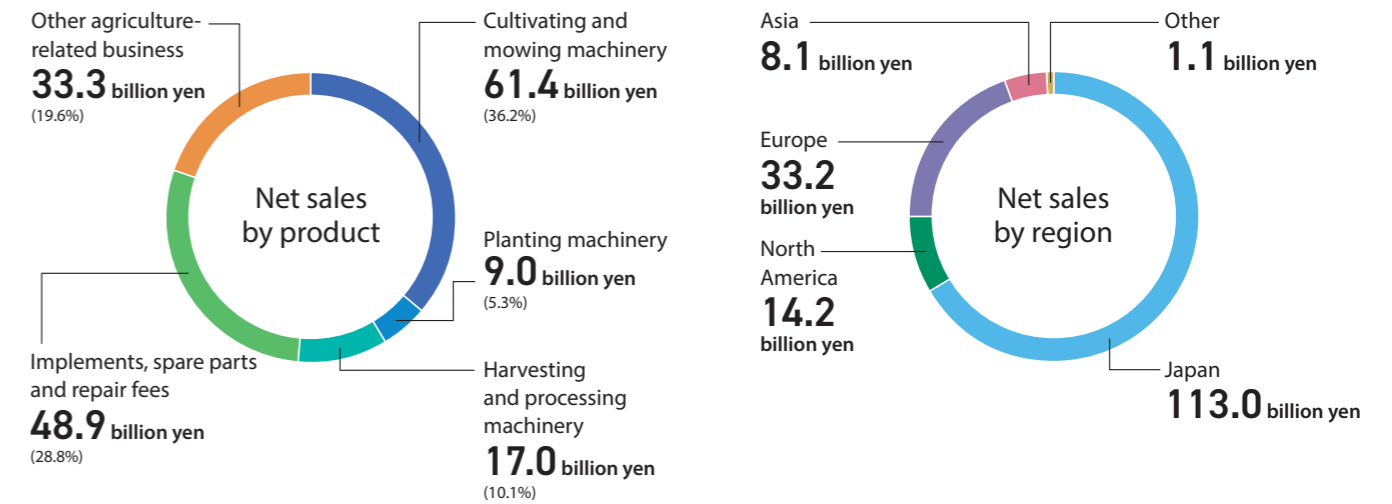
### Intellectual properties / Number of patent application registrations per specialty field

# No. 2



We have ranked highly since 2000 with regard to the numbers of laid-open applications and patent application registrations per specialty field in Japan. In 2022, we ranked second for the number of patent application registrations in the "other special machinery field," and ranked third for the patent allowance rate in all industries.

## Composition of net sales



## Overview of products and services

### Cultivating and mowing machinery



#### Main products

Tractors, riding lawn mowers, tillers, multipurpose vehicles, high-clearance multipurpose vehicles

#### Main sales region

Japan and Asia (Agri)  
Europe and North America (Non-Agri)

### Planting machinery



#### Main products

Rice transplanters, vegetable transplanters

#### Main sales region

Japan and Asia (Agri)

### Harvesting and processing machinery



#### Main products

Combine harvesters, binders, rice hullers, measuring and sorting machinery rice graders

#### Main sales region

Japan and Asia (Agri)

### Implements, spare parts and repair fees



#### Main products

Parts for repairing products of Japanese and foreign implements manufacturers, etc., repair, maintenance

#### Main sales region

Japan, Asia, Europe, and North America

### Other agriculture-related business



#### Main products

Facility construction, agricultural materials, coin rice milling business, rice cooking business

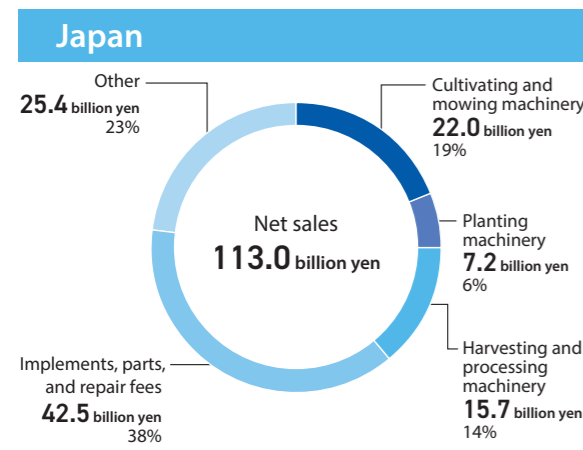
#### Main sales region

Japan

Introduction

ISEKI Group

We conduct business with priority on "Japan," "Asia," "Europe," and "North America."



Manned monitoring-based robot transplanters which promote high expectations for further laborsaving

Through sales subsidiaries, we sell agricultural machinery and provide services, as well as offer farm business proposals and support to realize highly profitable agriculture.

Sales route

- 11 sales subsidiaries

Agri products (for agricultural use)

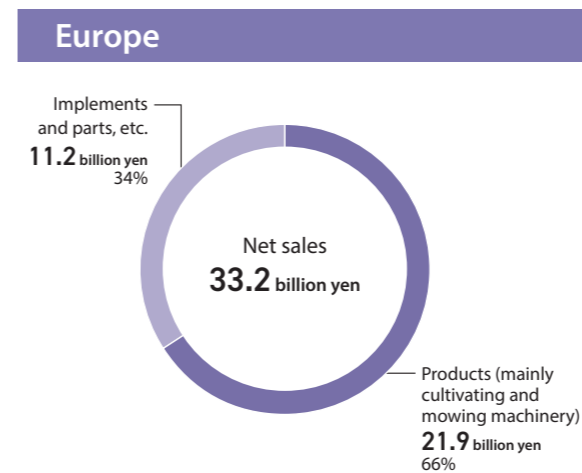
As an integrated manufacturer specializing in agricultural machinery, we have established an integrated system for automating farming of rice and field crops, and we also have a broad range of product lineup from products for hobby to ones for professionals.

Implements, parts, and repair fees

Amid the increase in size of farm business, a greater emphasis has been placed on maintenance (readiness of parts and for repair) so as to enable systematic operations. We have placed a focus on this field, improving service systems, as a stable revenue base not too much dependent on market trends.

Other

We handle construction of facilities such as agricultural facilities, agricultural materials such as fertilizers, and food/kitchen-related products, etc.



Riding lawn mowers used for maintenance, etc. of parks and fields

Since we started business in 1960s, the sales area has expanded to cover the entire Europe. We mainly sell landscaping machinery in this market where we have a significant presence.

Sales route (major agents)

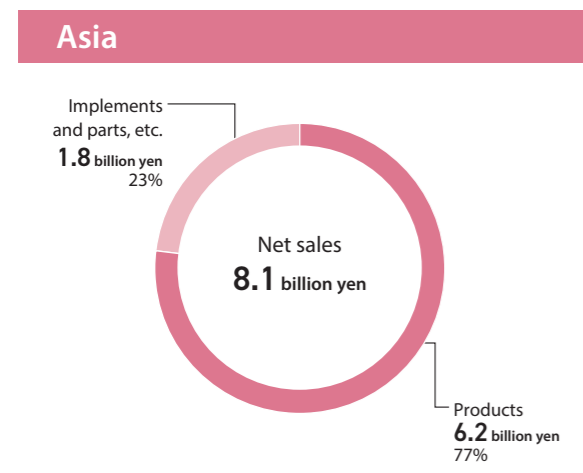
- France: ISEKI France (consolidated subsidiary)
- Germany: ISEKI Germany (consolidated subsidiary)
- U.K.: ISEKI UK & IRELAND

Non-Agri products (for landscaping)

We offer ISEKI-brand products, mainly compact tractors used for landscaping, such as mowing lawns in parks and road cleaning, as well as riding lawn mowers.

Other products

We purchase and sell electric- and gasoline-powered compact products for managing green space which have a high synergy effect with our products.



Tractors used in Thailand

In each of the ASEAN, East Asian (South Korea and Taiwan), and Chinese markets, we offer agricultural machinery using technology and know-how nurtured through our business in Japan.

ASEAN

In the ASEAN market where future growth is expected, we conduct sales and services into Thailand and its neighboring countries with IST Farm Machinery Co., Ltd., our consolidated subsidiary, playing a central role.

Sales route

- IST Farm Machinery Co., Ltd. (consolidated subsidiary)

East Asia (South Korea and Taiwan)

In response to their increased needs for advanced technologies and large-scale agricultural machinery, we provide large-sized, high-performance rice-farming machinery, etc. that is in active use in Japan through local sales agents.

Sales route

- South Korea: Local sales agents
- Taiwan: Local sales agents

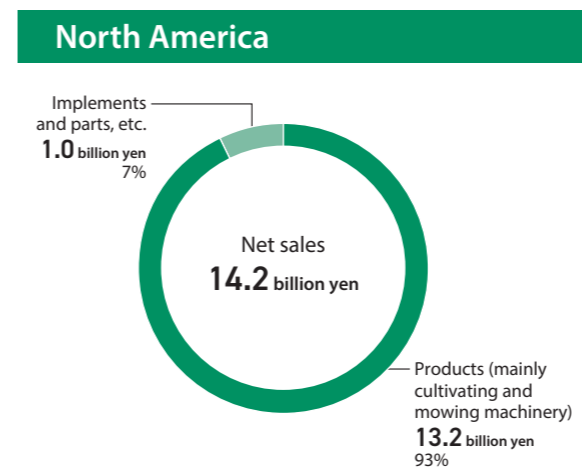
China

We locally manufacture and sell tractors, rice transplanters, combine harvesters, etc. which are adapted to operation in rice paddies. We also sell agricultural machinery equipped with latest technologies and manufactured in Japan.

Sales route

- Dongfeng Iseki (equity-method subsidiary)

\*Local net sales of Dongfeng Iseki are not included in our consolidated financial statements.



Used for hauling with a front loader



Used for mowing with a mower

We supply Massey Ferguson-brand products on an OEM basis through our business partnership with AGCO Corporation, a major global manufacturer of agricultural machinery.

Sales route

- U.S. and Canada: AGCO Corporation (OEM)

Non-Agri products (compact tractors, etc.)

We sell our products, mainly sub-compact tractors for private users, in entire North America, including Canada.

We contribute to the improvement of quality of private lives, as our compact tractors equipped with a front loader, backhoe, mower, etc. are used for park management and development, as well as hauling of such materials as feeds for horses.

## ISEKI Group

### Number of employees (consolidated)

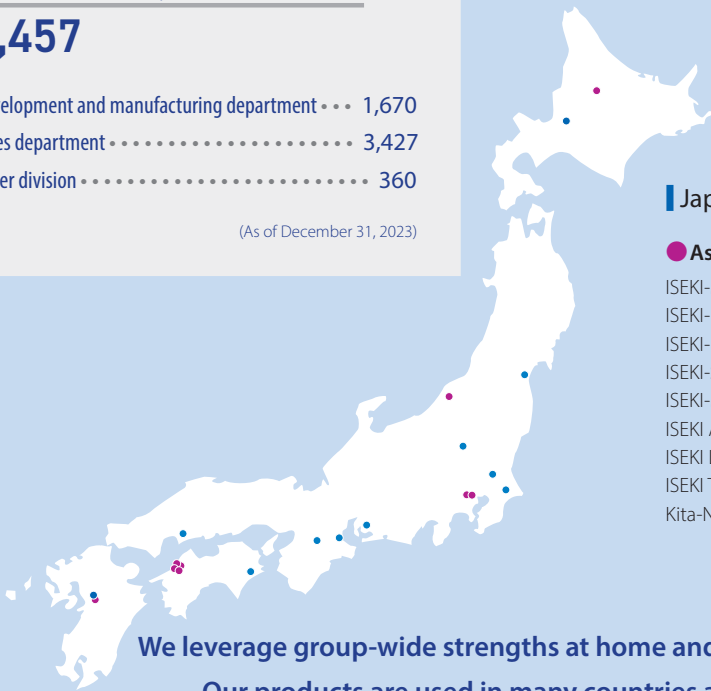
**5,457**

Development and manufacturing department . . . 1,670

Sales department . . . . . 3,427

Other division . . . . . 360

(As of December 31, 2023)



### Japan: Main associated companies/sales subsidiaries

#### Associated companies

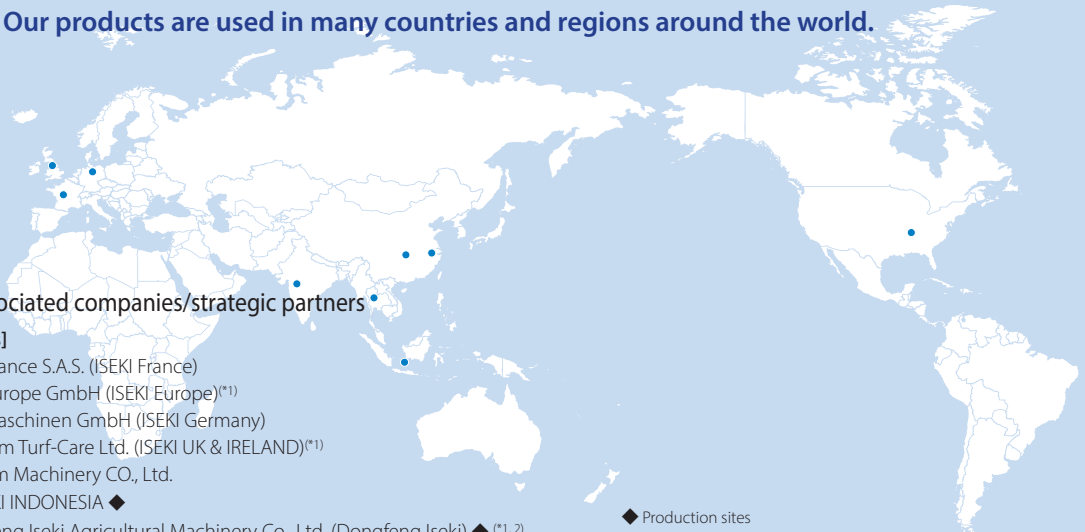
- ISEKI-Matsuyama MFG. Co., Ltd. ◆
- ISEKI-Kumamoto MFG. Co., Ltd. ◆
- ISEKI-Niigata MFG. Co., Ltd. ◆
- ISEKI-Shigenobu MFG. Co., Ltd. ◆
- ISEKI-Minamiyoshida MFG. Co., Ltd. (\*1) ◆
- ISEKI AGRI Co., Ltd.
- ISEKI Logistics Co., Ltd.
- ISEKI TLS Co., Ltd.
- Kita-Nihon Shodo K. K.

#### Sales subsidiaries

- ISEKI Hokkaido Co., Ltd. ■
- ISEKI Tohoku Co., Ltd. ■
- ISEKI Kanto Koshinetsu Co., Ltd. ■
- Gunma ISEKI Sales Co., Ltd.
- Ishikawa Shokai Co., Ltd. (\*1)
- ISEKI Kansai Chubu Co., Ltd. ■
- Mie ISEKI Sales Co., Ltd.
- Nara Iseki Sales Co., Ltd. (\*1)
- Nishioka Shokai Co., Ltd. (\*1)
- ISEKI ChuShikoku Co., Ltd. ■
- ISEKI Kyushu Co., Ltd. ■

We leverage group-wide strengths at home and abroad to engage in the business.

Our products are used in many countries and regions around the world.



### Overseas: Main associated companies/strategic partners

#### [Associated companies]

- France** ISEKI France S.A.S. (ISEKI France)
- Germany** ISEKI Europe GmbH (ISEKI Europe)(\*1)  
Iseki-Maschinen GmbH (ISEKI Germany)
- U.K.** Premium Turf-Care Ltd. (ISEKI UK & IRELAND)(\*1)
- Thailand** IST Farm Machinery CO., Ltd.
- Indonesia** PT. ISEKI INDONESIA ◆
- China** Dongfeng Iseki Agricultural Machinery Co., Ltd. (Dongfeng Iseki) ◆ (\*1, 2)

#### [Strategic partners]

- U.S.** AGCO Corporation of AGCO Group (\*3) (AGCO)
- India** Tractors and Farm Equipment Limited (TAFE) (business alliance)

◆ Production sites

■ Wide-area sales companies (our investment ratio: 100%)

\*1: Non-consolidated subsidiaries \*2: Equity-method subsidiary

\*3: OEM customer

(As of May 31, 2024)

### Production sites/main machine types produced

Associated companies (location)	ISEKI-Matsuyama MFG. Co., Ltd. (Japan)	ISEKI-Kumamoto MFG. Co., Ltd. (Japan)	ISEKI-Niigata MFG. Co., Ltd. (Japan)	ISEKI-Shigenobu MFG. Co., Ltd. (Japan)	PT.ISEKI INDONESIA (Indonesia)	Dongfeng Iseki Agricultural Machinery Xiangyang Factory and Changzhou Factory (China)
Main machine types produced	Tractors, riding lawn mowers, high-clearance multipurpose vehicles, and diesel engines	Combine harvesters, and carrot harvesting machinery	Rice transplanters, vegetable transplanters, and rice hullers, binders	Tillers, multipurpose vehicles, and implements (rotaries, mowers, etc.)	Tractors and riding lawn mowers	Tractors, rice transplanters, combine harvesters, high-clearance multipurpose vehicles, and vegetable transplanters
Main destination for shipment	Japan, Asia, Europe, and North America	Japan and Asia	Japan and Asia	Japan, Asia, Europe, and North America	North America, Asia, and Europe	Asia